

**USEITI Implementation Subcommittee**  
**Wednesday, April 20, 2016**  
**11:00am – 12:00pm**  
**Meeting Summary**

**Meeting Agenda**

11:00 Welcome and Introductions  
11:05 IA/Online Advisory Workgroup Updates  
11:15 Discussion on Mainstreaming and Beneficial Ownership - Jim and Curtis  
11:45 Update on Peer-to-Peer Effort - Aaron  
11:55 Walk-ons/Next Steps  
12:00 End

**General Updates**

The June MSG Meeting dates have changed and we will now meet Monday, June 27<sup>th</sup> 1pm-6pm, Tuesday June 28<sup>th</sup> 9am-4pm. The October Meeting is now being moved to November 16<sup>th</sup>-17<sup>th</sup>. Please make those changes to your calendars and share with your sectors. The USEITI Secretariat is issuing a Federal Register Notice with the changes as well.

**IA Update**

**Outline for 2016 Report:**

The IA put together an outline for the 2016 executive summary and online report. This will be a handout at the June MSG Meeting. The Subcommittee will have two weeks to review and come back with comments and questions.

In preparing the outline for the 2016 executive summary and online report, the IA took the table of contents from the 2015 Report and tried to map back to the content for the upcoming 2016 Report. The 2016 executive summary will be a much more abbreviated executive summary and the bulk of the content will live online. The executive summary will highlight what's in the Report using mostly pictures similar to the Trinidad and Tobago Report (Judy will email this to the full MSG). The 2016 Appendix will largely mimic the 2015 Appendix. Some additions to the contextual narrative are pending MSG decision. Once those items are approved they will be worked into the Report.

**Reconciliation:**

An email went out on April 15<sup>th</sup> reminding companies that the actual Reporting information will go out Friday, April 29<sup>th</sup>.

**Contextual Narrative:**

Andrew Varnum, a new member on the Deloitte team, will be working on contextual narrative. The IA is continuing to collect feedback on the AML visualization. The State visualization is also well underway. The IA is receiving good feedback on that as well. They are looking forward to Wyoming and Alaska opting in, and they are also starting to work on the Audit visualization and the county updates.

There will be a HIVE Session on May 13<sup>th</sup>. A Calendar invite has gone out.

### **Subcommittee and Workgroup Updates**

#### **Online Advisory Workgroup:**

The IA is working with Industry and OSMRE for comments for the AML visualization. The State visualization is out for comment to the sectors.

#### **Discussion on Mainstreaming**

This Workgroup has been asked to take a look at the new 2016 Standard. Specifically:

1. 4.9c Mainstreaming and
2. 2.5b A published Roadmap for Beneficial Ownership by January 1, 2017.

The Workgroup is researching how to produce a roadmap (plan) on Beneficial Ownership. Some other agencies are working on this and Curtis has connected us to those offices (Financial Terrorism Office). The group is also working on making sure they understand definitions.

There is a definition for beneficial ownership in the Standard. EITI has also issued a fact sheet on Beneficial Ownership (Judy will forward to the MSG). The definition goes beyond payors and includes those who bid on lease opportunities in the country. It will also include companies that are not publicly traded. Private companies would have to be evaluated and then publish who their largest owners are and who political connections are. Beneficial Ownership reporting isn't required for 4 years. The Workgroup will need to establish what the U.S. will have to overcome to do this well.

Global Witness has some expertise on the beneficial ownership analysis and will come back with some information soon. We will also set up a call with the International Secretariat and the Workgroup, and Paul and Greg will have some side conversations at the next Board meeting. The Subcommittee should have something for the MSG to approve in time for the November meeting.

Mainstreaming is in a similar place as beneficial ownership where the Workgroup is still researching, collecting information and trying to understand how the requirements might apply to the U.S. implementation of EITI. They are also waiting for the International Board to produce a policy. Mainstreaming has benefits for the U.S., but has challenges as well with regard to Dodd Frank and Taxes.

The Board is trying to give participating countries a target which is getting data confirmed and transparent so that countries don't have to reconcile. A good example of a country where mainstreaming could work well is Norway because everything is public. As for the U.S., with only 2/3 of companies reporting DOI revenues and 1/4 reporting taxes, we are not there. Again, there should be a call on this to discuss with the International Secretariat.

The Workgroup will continue to work on both of these topics and will have some presentations to share with the Subcommittee closer to the June MSG Meeting. The goal is to have the presentations on these topics be as well informed as possible. We are also hoping some of these decisions will be made at the next International Board meeting.

The Report and Reconciliation Workgroup meets tomorrow April 21st.

#### **Update on Industry's Peer-to-Peer Effort**

The Industry sector agreed to facilitate and convene peer-to-peer discussions around all aspects of USETI but specifically on the topic of Reporting revenues and taxes.

At API there is an accounting Subcommittee that has policy jurisdiction on revenue transparency. A few weeks ago Aaron provided an update on key developments that came out of the Global Conference and March MSG Meeting. Member companies in attendance had the opportunity to discuss API's presentation.

This week API held their annual tax forum for both member companies and anyone else in industry who wished to participate. At this event John Mennel from Deloitte gave a presentation on what Deloitte is doing as the IA and how that fits into EITI globally. Deloitte also provided insight into company's thought process when considering signing onto USEITI.

There is also a Committee meeting at API today on taxation and they will have USEITI on the agenda.

#### **Workplan Workgroup**

This Workgroup is working on the Annual Activity Report. They are reviewing the document and working in comments before CBI sends to the Co-chairs for final review. The Annual Activity Report will need to be approved by the MSG at the June MSG Meeting.

#### **Walk-ons/Next Steps**

Next Subcommittee Meeting – May 4, 2016

Next MSG Meeting – June 28-29, 2016

#### **List of Attendees:**

Aaron Padilla, API  
Andrew Varnum, Deloitte  
Chris Mentasti, DOI  
Curtis Carlson, Treasury  
Emily Hague, API  
Greg Gould, DOI  
Jake Phillips, DOI  
Jennifer Goldblatt, DOI  
Jerold Gidner, DOI  
Jim Steward, DOI

John Cassidy, Deloitte  
John Harrington, Exxon Mobil  
Judith Wilson, DOI  
Kent Schultz, Deloitte  
Keith Romig, United Steelworkers  
Kim Oliver, DOI  
Mia Steinle, POGO  
Mike Matthews, State of Wyoming  
Nathan Brannberg, DOI  
Paul Bugala, George Washington University  
Phil Denning, Shell  
Sarah Platts, Deloitte